Financial Risk Asssessment 2026 - INCOME

Topic	Risk Identified	Impact of Risk 1-3 (L-H)	Frequency/ Liklihood of Risk 1-3 (L-H)	Level of Risk 1-9 (impact x frequency)	Management of Risk	Action required	Review	Comments
Budgetary Controls / Precept	Has the Council prepared an annual budget in support of its precept?	1	1	1	The Budget for 2026/27 was prepared and approved by Council on 21st January 2026.		12 months	Informal workshops held in 2024 to onboard new members to upskill with knowledge prior to decision making.
	Precept not paid by DC	3	1	3	Check & Report to Council	Diary	12 months	Paid in April and October annually
	Adequacy of precept. Is actual expenditure against the budget regularly reported to the Council?	2	1	2	Monthly review by RFO and Councillors - budget to actual. Major variances identified and reported Internal Audit (IA) Review	Diary	12 months	Budgetary control reports are regularly presented to Full Council showing actual expenditure for the year, compared with total budgets. The RFO investigates expenditure codes where spend is out of line with the percentage to be expected for the time of year.
Cash Handling - Bookkeeping	A computerised cashbook is maintained. A full analysis of Income and Expenditure codes is kept up to date and can be reviewed at any point. The computerised system ensures arithmetical accuracy. The cashbook is balanced monthly together with monthly bank reconciliations for all bank accounts held by the Council. The monthly reconciliations are signed off by the RFO and a councillor (set on a rota basis).							
Charges – Lido	Cash emptying, transport and banking	1	1	1	Segregate duties. Check to bank rec.	Reconcile to takings	6 months	Reduced frequency to (1) as cash transactions only by exception.
Charges – Cemetery	Grave allocation	1	1	1	Burial Register update with each change - records being converted to Rialtas		12 months	Software implementation is live. Graves are allocated using software programme
	Invoices to undertakers	1	1	1	Quarterly check of burial register	Number issued	12 months	
	Memorial fees	1	1	1	Quarterly check of burial register	Number issued	12 months	Month end closure of acccounts review
Charges – Allotments	Rental invoices	1	1	1	Register to Invoice and review cash book against bank statement	Reconcile to register	12 months	
	Cash handling	1	1	1	Cash through receipt book and accounting software	Bank Reconciliation	12 months	
	Cash banking	1	1	1	Segregate duties. Check to bank reconcilation	Bank Reconciliation	24 months	
Hall Hire/Markets/ Rents	Cash handling and banking	1	1	1	Bookings linked directly to account software - working to automated process. Cash through receipt book.	Bank Reconciliation	12 months	Manual intervention minimal - amalgamated handling and banking
Lease/ rent linked to PWLB	Rental invoices	2	2	4	Clerk/RFO check monthly to bank reconciliation	Bank Reconciliation	12 months	Rental income not received will have impact on budget and GR
Service Level Agreement (SLA) – Dorset Council	Receipt of payments	3	1	3	Clerk/RFO check quarterly to bank reconciliation	RFO verify	12 months	SLA's in place for Street Cleaning and Verges
Grants – Other	Receipt of payment(s)	1	1	1	Clerk/RFO check quarterly	RFO verify	12 months	
	Receipt of grant when due	2	1	2	Check & Report to Full Council	Diary	12 months	

Financial Risk Asssessment 2026 - EXPENDITURE

Topic	Risk Identified	Impact of Risk 1-3 (L-H)	Frequency of Risk 1-3 (L-H)	Level of Risk 1-9 (impact x frequency)	Management of Risk	Action required	Review	Comments
Payroll controls	Wrong salary paid	1	1	1	Check to contract	RFO verify	Monthly	External payroll provider DC appointed in Aug 2023
	Wrong hours paid	1	1	1	Check to timesheet/contract	RFO verify	Monthly	Monthly review against DC database
	Wrong rate of pay	1	1	1	Check to contract	RFO verify	Monthly	Monthly review against DC database
	False employee	1	1	1	Check to PAYE Records & lists	RFO verify	Monthly	All names of leavers and starters minuted by FC.
	Wrong deductions – NI, Pension, Income Tax	1	1	1	Payroll software updates	RFO verify	Monthly	Monthly review against DC database
Direct Costs and overhead expenses	Goods not supplied to STC	1	1	1	Order system - Purchase Ledger monthly review	Approval check	Monthly	
	Invoice incorrectly calculated	1	1	1	Check arithmetic on all invoices	Approval check	Monthly	
	Stock loss	1	1	1	Point of sale info and control	Reconcile to Stock	6 months	Regular stock takes Lido during peak season
Councillor Allowances	Cllr overpaid	1	1	1	Paid via Payroll against STC minute	RFO verify	Monthly	Monthly review against DC database
	Income tax deduction	1	1	1	Paid via Payroll	RFO verify	Monthly	Monthly review against DC database
Grants & support	Power to pay	1	1	1	Minute reference and GPC	STC approval	Annually	
	Agreement of Council to pay	1	1	1	All grants based on approved documentation and supporting information, minuted and checked by Internal Auditor.	STC approval	Annually	
	Conditions agreed	1	1	1	Compliance against Policy	RFO check	Annually	
Election Costs	Invoice at agreed rate	1	1	1	RFO check and budget approved	RFO verify	Ad-hoc	
	By-election(s)	3	2	6	Adequate budgetary provision. Manage councillor training and expectations	Town Clerk	Ad-hoc	Unplanned By-election costs are managed via general reserves with no set budget line
VAT irrecoverable	VAT analysis	1	1	1	Review of quarterly VAT return	RFO verify	Quarterly	All managed through accounting software
	Charged on sales	1	1	1	Review of quarterly VAT return	RFO verify	Quarterly	All managed through accounting software
	Charged on purchases	1	1	1	Review of quarterly VAT return	RFO verify	Quarterly	All managed through accounting software
	Exemption properly applied	2	1	2	Consider complex issue (s) on larger projects using professional qualified external advice	RFO verify	Quarterly	Review Option to Tax - seek professional advice on larger projects
	Claimed within time limits	1	1	1	Review of quarterly VAT return	RFO verify	Quarterly	All managed through accounting software
Reserves - General	Adequacy	3	2	6	Consider at Budget setting and monthly Full Council	RFO verify	Monthly	STC to review Balance Sheet monthly - No less than 3 months and no higher than 12 months
Reserves – Earmarked	Adequacy	1	1	1	Consider at Budget setting and monthly Full Council	RFO verify	Quarterly	STC to review Balance Sheet monthly
Assets	Up-to-date Asset Register	1	2	2	The asset register is updated when items are purchased or sold, and reviewed at the end of each financial year.	RFO verify	Annually	A sample inspection of the asset register against the physical assets takes place on an annual basis. Asset Register is reported to STC on an annual basis every May.
	Loss, Damage etc	2	1	2	Annual inspection by Council and IA, update insurance and asset registers.	STC review	Annually	Updates to the Asset Register are reported to STC and resolution minuted
	Risk or damage to third party property or individuals	2	1	2	Annual inspection, update insurance/review asset register and report to members	RFO verify	Annually	Updates to the Asset Register are reported to STC and resolution minuted
Staff	Loss of key personnel	3	2	6	Regular meetings / appraisals. Professional HR consultant	Town Clerk	Annually	Cost of Locum Clerk
	Fraud by staff	1	1	1	All Payments require secondary authorisation. Fidelity Guarantee Insurance	Council	Annually	Included in STC insurance policy
	Staff absence	3	1	3	Cost of long term absence - insurance cover in place for accidents	Town Clerk	Annually	
Event Management	External organisers not compliant	3	1	3	Liason with SAG team at DC, compliance with Hire of Land Policy	Town Clerk	Annually	Event Management Risk Assessments undertaken
Borrowing / lending	Adequacy of finances to be able to repay PWLB	1	1	1	Financial review and cashflow forecasting quarterly	RFO verify	Monthly	
Legal Powers	Illegal activity or payment	3	1	3	Educate Council as to its legal powers	Town Clerk	Monthly	
Payments	Is the correct authorisation obtained for payments?	1	1	1	Payments are released after approval by Full Council in line with Financial Regulations	RFO verify	monthly	Online Payments are created and approved by two separate officers

Financial Risk Asssessment 2026 - OTHER

Topic	Risk Identified	Impact of Risk 1-3 (L-H)	Frequency of Risk 1-3 (L-H)	Level of Risk 1-9 (impact x frequency)	Management of Risk	Action required	Review	Comments
Standing Orders / Financial Regulations	Not adopted by Full Council	1	1	1	Both are reviewed and adopted at the Annual Meeting	Town Clerk	Annual Meeting	Or earlier if any changes are being made
	Are the FR followed by purchasing competitively?	1	1	1	Purchases and contracts are agreed by Full Council. Officers shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction unless a preferred contractor is used. Contracts over a certain threshold are advertised on Find a Tender.	Town Clerk	Continuous	A preferred contractor list is approved with the Financial Regulations (reviewed annually)
Risk Assessments	Play Parks and Skate Park - Are annual risk assessments carried out?	3	1	3	Regular inspections of play equipment and the skate park are conducted by trained personnel and dated documentation is held to support such reviews. An independent annual ROSPA report is carried out on all playgrounds.	Town Clerk	Bi-Monthly and Annually	
	Risk Assessments for works contracted by STC	1	1	1	Ensure Risk Assessments are received before any work commences	Town Clerk	Continuous	Copies of RA held within contractor Sharedrive files
Health and Safety Procedures	Are all Health & Safety procedures up to date?	1	1	1	Health and safety procedures are reviewed annually, and an annual inspection from Wirehouse services is made each year, with their advice and recommendations followed up, and further checks and maintenance checks carried out as required.	Town Clerk	Annually	
Insurance cover	Is insurance cover appropriate and adequate?	1	1	1	Insurance contract in place, renewed annually and updated when assets are purchased or disposed of	RFO	Annually	
Financial Records	Inadequate records	1	1	1	Internal Audit scheduled as per terms and conditions of contract	Town Hall	2/3 times per annum	
Minutes	Accurate and legal	3	1	3	Approval at following meeting	Town Clerk	As per meeting schedule	Full Council and P&H monthly committees ad-hoc
Members interests	Conflict of interest	3	2	6	Training on Code of Conduct including refresher training. Update declarations of interest	Town Clerk	Annually	Monitoring Offcier advice when required

Reviewed and adopted on __19th May 2026____